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**Unit 9 – Economics, part 1**

**Part 1 – Economic Vocabulary [CE 11a]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 1. Resources are always limited; we cannot satisfy all wants at the same time. (P.356)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2. Factors of production, made up of four types; human (labor), natural (land), capital, and entrepreneurship. (P. 351-352).

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 3. What is given up when a choice is made? (P.356)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 4. They are determined by the *law of supply and demand*. (P.379)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 5. The government offers these to change economic behavior by stimulate an area of the economy. For example, the General Assembly could reduce taxes on technology companies to attract new companies to locate in the state. (P.357)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 6. The amount of a good or service that consumers are willing and able to buy at different certain prices. (P.379-380)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_7. The amount of a good or service that producers are willing and able to sell at certain different prices. (P.379-380)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 8. When resources are combined to create the finished goods and services that people want to buy. (P.352)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 9. The buying and using of finished goods and services. (P.354-355)

**Part 2 – Types of Economies [CE 11b]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_10.What are the three basic economic questions (decisions)? P358

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 13. In this type of economy, decisions are made based upon long-established customs, with defined family roles. (P. 363-367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 14. In this type of economy private ownership, free choices, and competition make the economic decisions. (P.363-367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 15. In this type of an economy everything is owned and planned by the government. (P.363-367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 16. The difference between the cost of production and the money received from buyers. (P.367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 17. It drives decision-making in a market economy as producers try to attract consumers and workers try to get jobs. (P.366)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 18. The part of the economy made up of individuals and businesses. (P.484-485)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 19. The part of the economy made up by governments. (P.484-485)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20. Most economies today are this, including the United States and China, combining parts of the different types of economies. (P.368)

**Part 3 – The United States Economy [CE 11c]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 21. What is true about the government’s involvement in the marketplace in the United States? (P.369)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 22. Who owns the factors of production in the United States? (P.369)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 23. Who are free to produce and distribute goods and services they think will sell, in competition with their peers? (P.369)

**Part 4 – Business ownership [CE 12a]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 24. Business with one owner who takes all the risks, but keeps all the profits. (P.384-385)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 25. Business in which two or more people share ownership, with its risks and profits. (P.384-385)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 26. Business that operates legally separate from its owners. (P.384-385)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 27. A person who takes a risk and starts a business in search of profits. (P.382)

**Part 5 – Economic Circular Flow [CE 12b]. Identify who is taking the following actions in the circular flow of Economics. (P.484-485)**

**A. Individuals B. Business C. Government**

\_\_\_\_\_ 28. Buy resources (land, labor, and capital)

\_\_\_\_\_ 29. Sell resources (land, labor, and capital)

\_\_\_\_\_ 30. Buy products, goods, and services

\_\_\_\_\_ 31. Sell products, goods, and services

\_\_\_\_\_ 32. Collects taxes from the private sector

\_\_\_\_\_ 33. Provides public goods and services for the use of the private sector